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ABSTRACT

This report examines the individual and societal benefits of attending college, providing a broad overview of the range of benefits that accrue from college education. It includes a brief historical discussion of the benefits of higher education and the role of state and federal governments in encouraging college attendance. The report then reviews: (1) public economic benefits, including increased tax revenues, greater productivity, increased consumption, increased workforce flexibility, and decreased reliance on government financial support; (2) private economic benefits, including higher salaries and benefits, high employment levels, higher savings levels, improved working conditions, and personal/professional mobility; (3) public social benefits, including reduced crime rates, increased charitable giving, increased quality of civic life, social cohesion, and improved ability to adapt and use technology; and (4) private social benefits, including improved health/life expectancy, improved quality of life for offspring, better consumer decision making, increased personal status, and more hobbies and leisure activities. The report concludes that diminishing support for higher education's diverse benefits would have a negative consequence on the nation's ability to prosper and succeed. (Contains 47 references.) (MDM)

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The New Millennium Project on Higher Education Costs, Pricing, and Productivity

Reaping The Benefits

Defining the Public and Private Value of Going to College

Prepared by
The Institute for Higher Education Policy

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Defining the Public and Private Value of Going to College

Prepared by
The Institute for Higher Education Policy
March 1998

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PREFACE

This is the first in a series of reports and papers that will be published under the aegis of The Institute for Higher Education Policy's New Millennium Project on Higher Education Costs, Pricing, and Productivity. Sponsored by The Institute for Higher Education Policy, The Ford Foundation, and The Education Resources Institute (TERI), the project is a multi-year effort to improve understanding and facilitate reform of the complex system for financing higher education.

The New Millennium Project is premised on the belief that higher education is in the midst of its greatest transformation since the end of World War II. Changes brought about by a variety of forces--advances in technology as a teaching and learning tool, declining public financial support coupled with escalating tuition levels, increasing faculty retirements, rapidly expanding student loan borrowing, competition from new postsecondary education providers, and growing "non-traditional" student populations--represent the cusp of a new era in higher education. Unless new approaches to higher education finance and administration are devised that allow costs to be managed, student access to be protected, and quality to be maintained, the capacity for America's colleges to meet the nation's social and economic needs in the future will be jeopardized.

Numerous recent studies have concluded that higher education must fundamentally restructure itself to meet the postsecondary education needs of individuals and society. Yet the specific tools to accomplish these objectives, while at the same time preserving the most successful and productive aspects of the academy, have not been developed. In the past, colleges and universities changed by adding new programs and functions, rather than by reallocating resources and transforming core capacities. In the near future, however, this "mission creep" will not be enough. Presidents, trustees, faculty, student leaders, and statewide higher education officials will need to develop new tools for managing transformation that protect the basic social and economic mission of collegiate higher education while simultaneously adapting to major change.

This first report, *Reaping the Benefits: Defining the Public and Private Value of Going to College*, is intended to help frame the succeeding project research and analysis. As a prelude to subsequent project analysis about who pays for college, it provides a broad overview of the range of public and private benefits that accrue from college education. The goal of the report is to categorize or catalogue these benefits, providing a more accurate and inclusive picture than is commonly understood. This may help to broaden public understanding of the value of higher education, and thereby lead to more rational, and longer-term, consideration of governmental and societal investment in collegiate learning.

It is important to note that this analysis focuses on the benefits of going to college. Colleges and universities provide a wealth of benefits by performing research, public service, and other functions. These benefits range from economic development to advances in science and agriculture to cultural progress. However, since the primary function of colleges and universities is the education of students, this report is mainly concerned with the benefits that can be defined as a result of the teaching and learning processes.

The New Millennium Project's subsequent work will include several dimensions. The project will examine trends over the last several decades in higher education financing and management. Integral to this analysis will be an update and expansion of the groundbreaking work of the Carnegie Commission on Higher Education in the early 1970s examining who pays for, and who benefits from, higher education. Topics such as the changing roles of tuition and direct institutional support, how subsidies differ by level and type of educa-

tion, how patterns of student financial aid have shifted, the impact of state accountability initiatives, and the effects of these changes on access and quality in higher education will be addressed. The project also will examine how these baseline trends have impacted the ways in which institutions of higher education measure and manage costs and quality. This will include analyses of how colleges and universities set prices and address productivity as components of overall institutional quality.

The later stages of the project will include recommendations in a range of areas, such as: the optimum balance of different sources of revenue to support higher education; the roles of tuition and fees as components of overall higher education revenues; the best ways to convey distinctions between cost and price; and strategies for reinvestment in core faculty while also taking advantage of opportunities for curriculum reform and enhanced learning opportunities through information technology. The project also may explore the possibility of targeted pilot testing of project recommendations by individual institutions or consortia.

In addition to this substantial research, the New Millennium Project will convene a wide array of experts and stakeholders with an interest in the future of higher education. These seminars and meetings are designed to bring together the leading edge of new thinkers from education, industry, and government.

The New Millennium Project is co-directed by Jamie Merisotis, President, and Jane Wellman, Senior Associate, at The Institute for Higher Education Policy. Project staff include: Colleen O'Brien, Managing Director; Diane Gilleland, Senior Associate; Thomas Parker, Senior Vice President at TERI; Katheryn Volle and Alisa Cunningham, Research Analysts; and Christina Redmond, Administrative Associate.

The project also is being guided by an Advisory Group of national experts in higher education. Advisory Group members include:

- Vera King Farris, President, Richard Stockton State College;
- Augustine Gallego, President, San Diego Community College District;
- D. Bruce Johnstone, Professor of Higher Education, SUNY Buffalo;
- Gerald Monette, President, Turtle Mountain Community College;
- Barry Munitz, President and CEO, The J. Paul Getty Trust, *Chair*;
- Michael A. Olivas, William B. Bates Professor of Law, University of Houston; and
- Carol Stoel, Co-Director, Teacher Education, Council for Basic Education.

INTRODUCTION

What are the benefits of going to college? This is one of the most important questions that has been posed about societal and governmental investment for much of the post-World War II period. Beginning with the GI Bill and the growth of the community college movement, and continuing with present-day discussions that range from distance education to tax-based assistance for college, who benefits from college--and how--has been a recurring concern. Today, these concerns are especially salient. Growing public scrutiny of higher education, combined with limited or reduced government spending, has focused increasing attention on the benefits of higher education, both from an individual and a societal standpoint.

This report reviews how public dialogue about higher education has fundamentally changed, moving away from a broader understanding of the array of public and private benefits derived from higher education, and increasingly zeroing in on its private economic effects. The goal of the report is to categorize the benefits of going to college, providing a more accurate and inclusive picture of these benefits. It provides a broad overview of the range of benefits that accrue from college education. It also examines how the benefits of college-going can be characterized for diverse audiences--including policymakers, education leaders, and the public.

This paper does not offer a comprehensive review of the data, or a detailed breakdown of benefits by type of institutions (two-year/four-year) or level of instruction (undergraduate/graduate). Instead, it uses examples to characterize the broad range of outcomes that can be described. These examples, and the categories in which they are presented, can help to frame policy discussions about the purposes and consequences of investment in higher education.

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HISTORICAL DISCUSSION OF HIGHER EDUCATION'S BENEFITS

Discussion of the benefits of higher education has its roots in the earliest days of American higher education. The formative discussions of higher education's benefits were largely concerned with its public, democratic role. Among the most influential proponents of this position was Thomas Jefferson, whose writings about education broadly, and the University of Virginia in particular, shaped public attitudes and commitments to public education in the nation's first few decades. For example, Jefferson argued over the course of many years that generally available education would have an equalizing role on American society. In his autobiography, he describes how such education would influence the nation's democratic values, while simultaneously preserving individual liberties:

> The less wealthy people,...by the bill for a general education, would be qualified to understand their rights, to maintain them, and to exercise with intelligence their parts in self government; and all this would be effected without the violation of a single natural right of any one individual citizen (Jefferson, 1821).

Many of the first American collegiate institutions were hailed as important milestones in the fledgling nation's democratic well-being. From the chartering of Harvard College in 1636 and the Collegiate School of Connecticut (renamed Yale) in 1701, to the founding of the University of Georgia in 1785 as the nation's first state-supported institution of higher learning, this public role of higher education was strongly endorsed. In fact, in all three of these cases, colonial governments provided direct support for their establishment (Rainsford, 1972; University of Georgia, 1998).

This public, democratic function of higher education, and its equalizing role as a societal institution, was still prevalent a century later with the passage of the Morrill Act of 1862. The law establishing the nation's first land-grant institutions was premised on the notion that the new industrial era would require greater opportunities for higher learning, "in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life" (Committee on Education and the Workforce, 1998).

As states experienced difficulties in providing the necessary resources to support these new institutions, momentum built for efforts to provide additional support for the land-grant colleges. The Second Morrill Act of 1890 allowed for the proceeds from the sale of federal lands to be used to support annual operating grants to the states for these colleges. Equally as important, the Act for the first time provided federal support for the creation of institutions to educate black students. The Act acknowledged the importance of establishing "equal" institutions for these students and helped in the creation of the first 17 black land-grant colleges (Rainsford, 1972).

The democratic purposes of education were reinforced in the early part of the 20th century, influenced significantly by John Dewey's classic 1916 book, *Democracy and Education.* Dewey argued that education plays a central moral role in the nation's well-being, and therefore must be supported (Wilshire, 1990). As the middle of the century approached, this view was strengthened and expanded to include national security and economic development as fundamental precepts of the public good. Thus, when the GI Bill was passed near the end of World War II, the law was justified in part as a way of ensuring that veterans would return to the workforce as productive, contributing citizens. This was thought to be a good way to avoid large-scale unemployment for returning veterans, which would have had a serious negative impact on the nation's economic and social stability.

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Just a few years later, when the Truman Commission on Higher Education--which helped to launch the community college movement in the 1950s--issued its report, it remarked that the public purpose of higher education was to promote "equal liberty and equal opportunity to differing individuals, and groups, and to enable citizens to understand" their responsibilities as citizens of a free society (Ostar, 1991). Likewise, the National Defense Education Act of 1958, often credited with creating the first federal student aid program (National Defense Education Loans), was premised on responding to the challenge posed by the launching of the Sputnik satellite by the Soviet Union. That challenge to the public good was both political--preserving democracy in the face of the communist "threat"--and economic, since the launching of the satellite presaged fierce competition in the science and engineering fields (Hansen, 1991).

The passage of the Higher Education Act of 1965, and the subsequent Education Amendments of 1972 (which created the Basic Educational Opportunity Grant program, now known as Pell Grants), was rooted in the War on Poverty and the federal government's broader efforts to equalize economic and social opportunities. It was not until the early 1980s, when federal funding for higher education was reduced and state support for public higher education slowed, that the focus of public policy discussions began increasingly to be dominated by talk of higher education's primarily private economic role, with diminishing reference to the other benefits.

Today, the typical discussions about the value of higher education are not about the broad range of benefits that it provides. Instead, these conversations tend to focus on the narrow topic of the private economic benefits that result from going to college, such as higher salaries and better jobs. Who is driving these discussions about private economic benefits? The answer is virtually everyone with a stake in the higher education enterprise--government officials, the media, the public, even higher education leaders. As evidence of this convergence, consider these examples:

- Each year, as college graduation season approaches, print and broadcast media stories begin appearing about the job prospects for the current graduating class. Many of these stories cite data from the National Association of Colleges and Employers' periodic survey of employers. The 1997 survey, for example, indicates that employers expect 1997-98 to be the best year for hiring in the last decade (NACE, 1997). But little of the focus of the media stories is about the broader social impacts resulting from these improved job prospects.

- Major national and state-level public policy discussions have frequently returned to the private economic benefits of a college education as the basic reason for increased public investment. For instance, when the Hope Scholarship tax credit was proposed by President Clinton at a 1996 speech at Princeton University, the President framed the importance of the program primarily as a matter of individual economic interest, saying in part: "Fifteen years ago the typical worker with a college degree made 38 percent more than a worker with a college degree. Today, that figure is 73 percent more. Two years of college means a 20 percent increase in annual earnings. People who finish two years of college earn a quarter of a million dollars more than their high school counterparts over a lifetime" (The White House, 1996). The eventual passage of a revised Hope proposal, with its combined tax credits and deductions costing an estimated $40 billion over five years, indicates that policymakers strongly support policies that emphasize individual economic outcomes.

- Given this media and public policy focus, it is not surprising that the public overwhelmingly associates college with getting "a good job" and increasing incomes (The Institute for Higher Education Policy, 1995). Recent focus groups conducted by the American Council on Education, for instance, found that job attainment is by far the most important benefit that Americans associate with going to college (Hartle, 1998).

- Higher education leaders are just as likely to use this language to describe the benefits of higher education. For example, at hearings conducted by the National Commission on the Cost of Higher Education in the fall of 1997, several of the higher education leaders who testified touted the higher average salaries and lifetime earnings of college graduates. Few described the contributions those individuals might make to social stability, civic life, or other public purposes (National Commission on the Cost of Higher Education, 1997).

In some ways, it is understandable that these discussions focus on the private economic benefits of education. After all, putting a dollar value on the returns to education puts a "personal" stamp on its importance. This makes the often arcane talk about policies and programs more concrete for the public and the policymakers who make the key decisions influencing public investment in higher education.

But what has been lost in this contemporary dialogue about higher education is a balanced view of the total array of benefits resulting from the college experience. This more complete picture, which acknowledges the real and important private economic benefits of higher education, but also emphasizes its social and democratic purposes, needs to be painted. Absent this comprehensive portrait, public dialogue and understanding is increasingly likely to focus on private economic benefits, resulting in "the pursuit of certification and degrees tak[ing] precedence over the goals of learning, and the private benefits of schooling tak[ing] precedence over its democratic and civic functions" (Labaree, 1997).

CHANGING PUBLIC DIALOGUE AND LEADERSHIP

Analysis of public and private benefits has been a common topic in the literature of higher education. The Carnegie Commission on Higher Education's 1973 report *Who Pays? Who Benefits? Who Should Pay?*, Howard Bowen's important 1980 study *The Costs of Higher Education*, and even more recent studies by Kramer (1993), Kerr (1994), and Labaree (1997) have discussed the balance of benefits that accrue from education broadly. But none of these studies has attempted systematically to categorize the benefits of going to college and convey them in a language readily accessible to policymakers, the public, and education leaders.

Why should such a cataloguing of public and private benefits matter? One important reason is that, in the absence of a complete understanding of the full range of benefits, selective disinvestment in higher education becomes increasingly possible. That is, if policymakers and the public do not have the total picture regarding why investment in higher education matters, other public policy priorities may end up gaining more support than funding for higher education. The experience in the early 1990s, for example, when state support for higher education declined because of rising state costs associated with prisons and health care, is indicative of this tendency. In several states, funding declines were accompanied by sharp tuition increases, shifting more of the burden of paying for college to individuals, who were perceived as being the primary beneficiaries of higher education.

Another key reason for this more complete cataloguing of benefits is that much has changed in terms of public and policymaker perceptions of higher education. For instance, when the Carnegie Commission was conducting the bulk of its work in the early 1970s, public attitudes about higher education's social role were much more consistent with those of higher education leaders. Thus, the creation of the Pell Grant program in 1972 was a bipartisan effort reflecting the broad consensus of Democrats and Republicans in the U.S. Senate, the Nixon Administration, and Republicans in the U.S. House of Representatives (Wolanin, 1997). This understanding of the public and private value of college-going continued throughout the 1970s, as reflected by the significant increases in state appropriations for operating expenses of public higher education institutions, and the "high water mark" of funding for federal student grant assistance in the late 1970s (College Board, 1997).

Today, however, scrutiny of higher education is increasing. State-level efforts regarding institutional accountability (largely begun in the 1980s), combined with increasing public and policymaker concerns about the prices charged by colleges and universities, have fundamentally realigned the public dialogue about higher education.[2] This heightened examination of higher education and concern about its pricing policies underscores the need to catalogue accurately and completely the full range of benefits that accrue from participating in higher education.

Further, there has been a significant turnover in the political leadership governing higher education and its resources--both at the federal and state levels. For example, only a handful of the members of Congress who serve on the relevant committees governing higher education policy served in that role prior to 1990. Similarly, according to the National Governors' Association, only five sitting governors were in office in 1990 (National Governors' Association, 1998). Term limit laws in several states also are dwindling the number of experienced legislators. This turnover in political leadership naturally has led to a significant shakeup in the membership of the governing and coordinating boards that shape state-level policy and planning. This suggests that there may be gaps in some of this new group of policymakers' understanding of the continuum of benefits resulting from going to college.

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The national leadership within higher education faces a different kind of challenge. According to a 1997 study conducted for *Change* magazine, a surprising number of the leaders in higher education identified through a national poll also were named in a similar 1978 poll. Most troubling about the recent study was that the process of identifying "young" (under age 45) leaders in the academy with national stature was much more difficult than in 1978. This dearth of easily identifiable young leaders could create problems for higher education in the near future as the "senior" group of leaders--those more conversant in the dialogue about public and private benefits of higher education that characterized the 1970s--begins to retire and recede from the national spotlight (Munitz and Breneman, 1998).

CHARACTERIZING HIGHER EDUCATION'S BENEFITS

Any attempt to catalogue the public and private benefits of higher education is likely to be imperfect and incomplete. The cataloguing will be imperfect because efforts to distinguish between whether a benefit is public or private are inexact, and in some cases, arbitrary. For example, one often-discussed public benefit of education is that the higher incomes of college-educated individuals produce more contributions to the tax base, benefitting all citizens. However, it is also true that these college-educated individuals are privately benefitting from the higher incomes they earn. Therefore, both public and private benefits are derived from the higher incomes of those who have attended college.

This combination of benefits has been described as a "cascade" of both public and private benefits. Kramer (1993) illustrates this cascade of benefits in discussing literacy:

> Plainly, a person who can read is better off than one who cannot. He can take and perform a job that an illiterate person cannot, and he can earn money in that job. He can also use reading skills as a consumer, getting more for his money when he spends it. So literacy confers private monetary benefits. It also enables a person to read for pleasure, and thereby confers nonmonetary private benefits as well.
>
> But the presence of literate people in a society --especially if almost all people are literate--creates advantages for others as well. People can count on the literacy of others in designing production processes and reaching markets with advertising. General literacy becomes a public benefit because it enables everyone to rely on the communicability of ideas in writing, whether or not the written word is actually used to communicate in particular circumstances. Sometimes this public benefit is appropriated for private purposes. If a potential employer places a want ad and someone seeks and obtains the job advertised, the public benefit of general literacy has resulted in private benefits for both employer and employee and these, of course, have monetary value.

In other words, benefits can be public or private, or a combination of the two. Any single benefit, public or private, could also lead to further public or private benefits--the cascade of benefits that results from education.

The cataloguing of benefits is likely to be incomplete because efforts to measure or even describe them can be difficult. This is especially true for benefits that are not easily quantifiable, or for which little concrete data have been compiled.

Nevertheless, this effort to characterize the public and private benefits is important. Providing policymakers and the public with a clear framework for understanding how investment in higher education benefits individuals and society can significantly enhance the public dialogue. This enhanced dialogue is essential to maintain investment in higher education even as it is being transformed by technology, changing student populations, and a host of other factors.

In describing the public and private benefits of going to college, it may be useful to sort the discussion of benefits into four general categories.[1] They are:

- Public economic benefits;
- Private economic benefits;
- Public social benefits; and
- Private social benefits.

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Research on aspects of these benefits exists in various reports and studies. However, many of these benefits have not been widely analyzed, and only a handful--especially those that have private economic effects--have been discussed regularly in public policy settings.

Public Economic Benefits

Public economic benefits are those benefits for which there can be broad economic, fiscal, or labor market effects. In general, these benefits result in the overall improvement of the national economy, or major segments of the economy, as a result of citizens' participation in higher education. Some of the public economic benefits of higher education include:

- *Increased tax revenues*--Individuals with higher levels of education generally contribute more to the tax base as a result of their higher earnings. For instance, in 1994, persons with at least some college education paid 71 percent of all federal income taxes, despite the fact that they accounted for only 49 percent of all households (Mortenson, 1996).

- *Greater productivity*--Though U.S. productivity has increased only modestly in the last two decades, nearly all of that increase has been attributed to the overall increased education level of the workforce. In fact, various studies have estimated that increases in educational attainment have offset what otherwise would have been a serious decline in the growth in U.S. productivity (Decker, et al, 1997; BLS, 1993).

- *Increased consumption*--Studies indicate that the overall growth in consumption in the last four decades is associated with the increasing education levels of society, even after controlling for income. Educational attainment has been correlated with higher consumer spending in a range of categories, from housing to food to transportation (BLS, 1995).

- *Increased workforce flexibility*--The competitive nature of the global economic system requires a workforce that is adaptable in order to keep pace with change. Higher education contributes to the increased workforce flexibility by educating individuals in generalizable skills--critical thinking, writing, interpersonal communication --that are essential to the nation's ability to maintain its competitive edge (Pascarella and Terenzini, 1991).

- *Decreased reliance on government financial support*--Those who have attended college participate in government assistance programs at substantially lower rates than high school graduates or those who have not graduated from high school. This includes participation in AFDC (now TANF), Food Stamps, Medicaid, housing assistance, and other programs (NCES, 1996; Mortenson, 1995).

Private Economic Benefits

This is the most commonly discussed category of higher education benefits. Private economic benefits are those benefits that have economic, fiscal, or labor market effects on the individuals who have attended postsecondary education. Examples include:

- *Higher salaries and benefits*--In both lifetime and average annual income terms, individuals earn more as a result of their higher levels of education. In 1995, for example, high school graduates earned an average of $21,431 annually, while bachelor's degree recipients made 73 percent more--$36,980 (Bureau of the Census, 1996). This trend is consistent at all education levels. Evidence also indicates that those individuals who have attended college receive better fringe benefits, including vacation time and health care, from their jobs (Smeeding, 1983).

Percentage of Persons Ages 25 to 34 Who Participate in AFDC or Public Assistance by Years of Education Completed: 1972-1994

Year	Less than 9 years	9-11 years	12 years	13-15 years	16 years or more
1972	11.5%	9.7%	3.2%	1.5%	0.4%
1973	11.7%	10.3%	3.3%	1.7%	0.6%
1974	15.0%	11.7%	3.3%	2.0%	0.8%
1975	11.3%	11.0%	3.3%	1.5%	0.3%
1976	10.9%	12.2%	3.5%	2.1%	0.4%
1977	11.7%	12.0%	3.9%	2.1%	0.3%
1978	10.8%	12.7%	3.6%	2.5%	0.4%
1979	12.4%	12.8%	3.8%	2.1%	0.6%
1980	11.8%	12.7%	4.4%	2.5%	0.4%
1981	11.5%	13.6%	4.6%	2.7%	0.5%
1982	9.6%	14.1%	4.3%	2.1%	0.3%
1983	11.4%	14.7%	4.3%	2.5%	0.3%
1984	13.2%	14.9%	4.2%	2.4%	0.8%
1985	11.8%	14.0%	4.4%	2.6%	0.4%
1986	11.8%	14.1%	4.5%	2.4%	0.3%
1987	13.2%	12.5%	4.5%	2.5%	0.3%
1988	11.5%	13.8%	4.2%	2.1%	0.2%
1989	8.8%	13.4%	4.1%	2.4%	0.4%
1990	8.9%	15.1%	4.7%	2.5%	0.5%
1991	11.4%	16.0%	5.5%	3.1%	0.5%
1992	9.9%	17.1%	5.6%	3.7%	0.5%
1993	9.6%	16.2%	6.3%	3.7%	0.4%
1994	8.3%	14.3%	5.8%	4.4%	0.4%

Source: National Center for Education Statistics, The Condition of Education, 1996.

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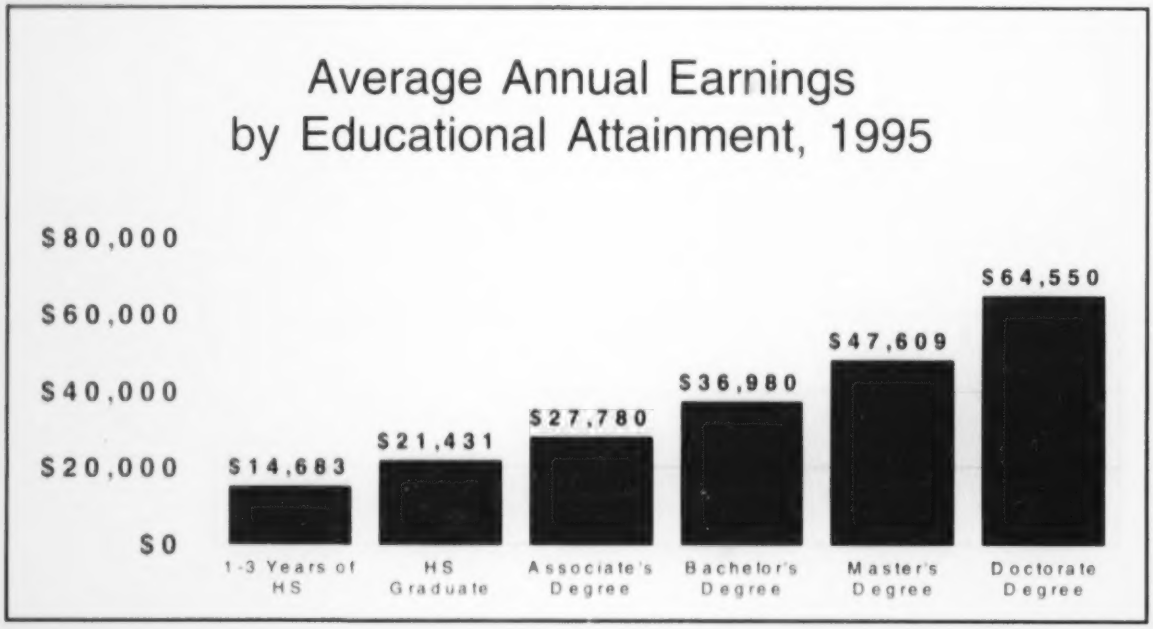
- *Employment*--Individuals who have gone to college levels are employed at higher rates and with greater consistency. For example, according to the January 1998 employment report from the U.S. Department of Labor, unemployment rates for those with a bachelor's degree or more are half that of those with a high school degree--1.9 percent compared to 3.9 percent. Those persons with less than a high school degree are more than three times as likely to be unemployed as bachelor's degree recipients (BLS, 1998).

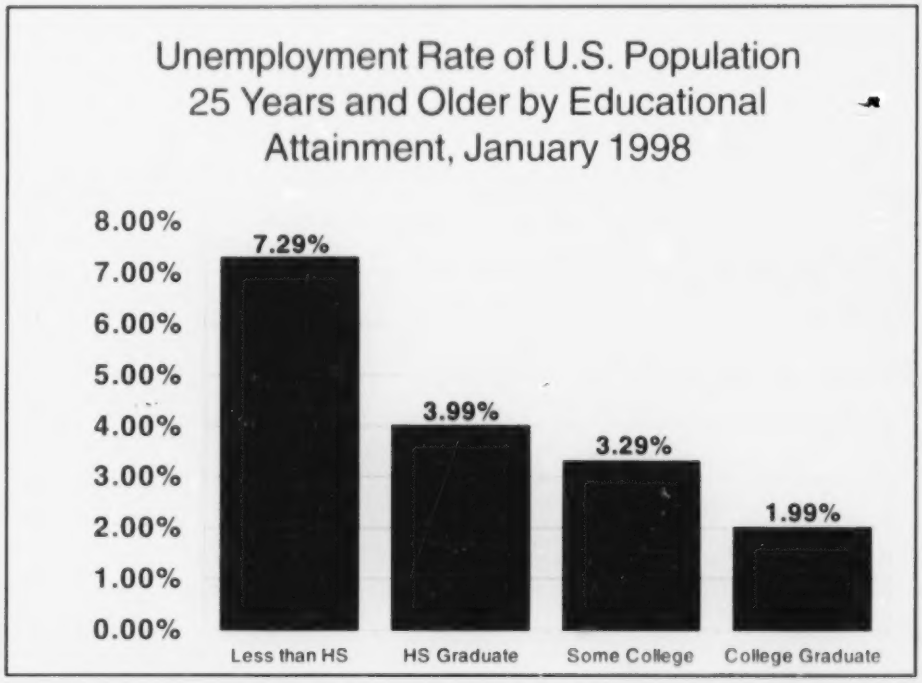
- *Higher savings levels*--Census Bureau surveys indicate that those with a bachelor's degree or more have higher value interest earning assets, home equity, and other financial assets. These surveys also indicate that college-educated individuals contribute at higher rates to retirement plans, mutual funds, and other saving devices (Eller and Fraser, 1995).

- *Improved working conditions*--The working conditions of persons who have gone to college have been found to be significantly better than those of non-college individuals. People who have attended college tend to work more in white-collar jobs, in office buildings or other facilities with air conditioning and heating, and with conveniences (ranging from computers, to on-site child care, to consistent work hours) that improve the quality of their lives (Duncan, 1976).

- *Personal/professional mobility*--Research indicates that the ability to change jobs, or to readily move to a different location, is correlated with educational attainment. Individuals who have attended college have greater work opportunities and tend to have skills that can be more easily applied in different job settings, or in other geographic locations (DaVanzo, 1983).



Source: Bureau of the Census, 1996.



Source: Bureau of Labor Statistics, 1998.

Public Social Benefits

Public social benefits are benefits that accrue to groups of people, or to society broadly, that are not directly related to economic, fiscal, or labor market effects. Examples of such benefits include:

- *Reduced crime rates*--Incarceration rates in state prisons in 1993 indicate there were 1,829 prisoners with one to three years of high school per 100,000 population, compared to 290 per 100,000 for those who graduated from high school, and 122 per 100,000 for those with at least some college (Mauer, 1994).

- *Increased charitable giving /community service*--A 1991 study found that 66 percent of those with some college, and 77 percent of those with at least a bachelor's degree, perform volunteer work. This compared to 45 percent of high school graduates, and 22 percent of those with less than a high school degree. This same study also found that financial contributions to charities were correlated with education levels (Independent Sector, 1992). A study of recent college graduates found that 69 percent had performed some community service (O'Brien, 1997).

- *Increased quality of civic life*--Various measures of civic life indicate improvements by education level. For example, 79 percent of persons age 25 to 44 with a bachelor's degree or more voted in the 1992 Presidential election, compared to 67 percent of those with some college, 50 percent of high school graduates, and 27 percent of those with less than a high school degree (NCES, 1996).

- *Social cohesion/appreciation of diversity*--Individuals with a college education have "a massive effect on social connectedness" and appreciation for a diverse society. Those with more than a high school education have significantly more trust in social institutions and participate in civic and community groups at much higher rates than others (Putnam, 1996).

- *Improved ability to adapt to and use technology*--Higher education levels have been associated with society's increased ability to adapt to and use technology. College-educated individuals contribute more to research and development of products and services that enhance the quality of others' lives, and promote the diffusion of technology to benefit others (Wozniak, 1987).

Presidential Election Voting Rates for the Population Ages 25 to 44 by Educational Attainment: Selected Years 1964-92

Year	1-3 years of HS	4 years of HS	1-3 years of college	4 or more years of college
1964	60.5%	75.5%	82.9%	86.2%
1976	38.5%	57.8%	67.4%	78.5%
1984	29%	49.1%	62.1%	74.7%
1988	26.3%	47.4%	61.7%	75%
1992	27%	49.8%	66.9%	78.5%

Source: National Center for Education Statistics, The Condition of Education, 1996.

Health Characteristics of Adults by Educational Attainment, 1990

	1-3 years of HS	4 years of HS	1-3 years of college	4 or more years of college
Exercise or play sports regularly	29.7%	37%	48.5%	55.8%
Told more than once that they had high blood pressure	21.5%	15.7%	12.8%	12.4%
Smoke cigarettes daily	37.4%	29.6%	23%	13.5%

Source: National Center for Education Statistics, The Condition of Education, 1994.

Private Social Benefits

Private social benefits are benefits that accrue to individuals or groups that are not directly related to economic, fiscal, or labor market effects. Examples of these benefits include:

- *Improved health /life expectancy*--Surveys by the Public Health Service indicate that those with a college education exercise or play sports regularly at higher rates than non-college participants. Similarly, only 14 percent of those with a bachelor's degree or more smoke cigarettes, compared with 23 percent of those with some college, 30 percent of high school graduates, and 37 percent of those with less than a high school degree. Life expectancies are also higher for those who have attended college than non-college attenders (NCES, 1994; Feldman, et al, 1989).

- *Improved quality of life for offspring*--Research indicates that children whose parents have attended college have a considerably higher quality of life. Evidence of these improved life conditions includes: children of college-educated parents are more likely to graduate from high school and continue on to college; they are more likely to have higher cognitive development; and daughters of college-educated mothers are considerably less likely to become unmarried teen parents (Dawson, 1991; Ribar, 1993; An, Haveman, and Wolfe, 1993).

- *Better consumer decision making*--Individuals with higher education levels have increased capacity to make informed, efficient decisions as consumers. For example, individuals who have make better decisions about how to choose a physician appropriate for their medical needs, financial resources, and geographic location (Rizzo and Zeckhauser, 1992).

- *Increased personal status*--Having a college education has long been associated with increased personal status.[4] Indicators of that status can range from having a more prestigious job--doctor, engineer, or college professor, for example --to being seen as a "leader" within a family. This is especially true for first-generation college attenders (Terenzini, 1996).

- *More hobbies, leisure activities*--College-educated individuals go camping or hiking more frequently, and read literature at significantly higher rates than high school graduates or those with less than a high school degree. They also visit amusement parks and art museums, and attend sports events at higher rates (National Endowment for the Arts, 1993).

Participation in Leisure Activities in Prior 12 Months by Educational Attainment, 1993

	Less than HS	HS Graduate	Some College	College Graduate
Played Sports	18%	34%	49%	55%
Exercised	39%	55%	71%	75%
Visited Art Museum	7%	16%	35%	46%
Went to Sports Event	19%	33%	45%	51%

Source: National Endowment for the Arts, 1993.

The Array of Higher Education Benefits

	Public	Private
Economic	* Increased Tax Revenues * Greater Productivity * Increased Consumption * Increased Workforce Flexibility * Decreased Reliance on Government Financial Support	* Higher Salaries and Benefits * Employment * Higher Savings Levels * Improved Working Conditions * Personal / Professional Mobility
Social	* Reduced Crime Rates * Increased Charitable Giving/ Community Service * Increased Quality of Civic Life * Social Cohesion/ Appreciation of Diversity * Improved Ability to Adapt to and Use Technology	* Improved Health / Life Expectancy * Improved Quality of Life for Offspring * Better Consumer Decision Making * Increased Personal Status * More Hobbies, Leisure Activities

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Conclusion

The preceding catalogue offers a window into the diverse benefits that can be associated with going to college. This typology indicates that a broad range of benefits, both public and private, economic and social, are related to the investment in higher education. Despite this evidence, there is only limited ability to define the consequences of not making the case for the benefits of higher education. In other words, there is no conclusive way to demonstrate what would happen if national-level discussion of higher education's benefits continued to focus (almost exclusively) on the private economic effects.

Nevertheless, it is likely that diminishing public support for higher education's diverse benefits would have negative consequences on the nation's ability to prosper and succeed. Among the possible consequences of this deteriorating support are:

- Growing social and economic disparities;
- Increasing public expenditures on social welfare programs;
- Inability to compete in an increasingly technological society;
- Stagnant or declining quality of living;
- Decreasing health and life expectancy; and
- Diminishing civic engagement and responsibility.

Moreover, this deteriorating understanding is likely to have the same kind of "cascading" effects that the benefits themselves can have. For example, diminishing civic engagement and responsibility would likely result in reduced participation in our civic institutions, such as voting or serving the local community. This in turn would result in an increasingly elite cohort of individuals who work in government, or who serve the public interest -individuals who are likely to focus more of their attention on the citizens who look, act, or think as they do. This would only serve to reinforce the private economic gains that higher education proffers.

The shift in national dialogue about higher education away from its public and democratic purposes and more toward its private economic benefits has the potential to alter significantly the way that society invests in higher education as a fundamental social institution. Public and policymaker misunderstanding of--or lack of information about--higher education's diverse benefits must be addressed in order to assure the continued health and vibrancy of higher education and the society it serves.

One important way to make this connection is to develop a more formal system for measuring and reporting on the benefits of higher education. As the examples cited in this report demonstrate, there is a wealth of information describing both the public and private benefits of going to college. Unfortunately, that information is collected by, and reported through, a wide range of studies, publications, and media. Since no central source is available to receive and disseminate this information, the ability to enhance the public dialogue about higher education's benefits is hampered. An annual, national report on the benefits of going to college should be compiled and disseminated, perhaps augmented by state-level reports that would provide more specific indicators.

It is also important to note that some aspects of the benefits of higher education are not well understood, or have not been researched adequately to provide quantifiable measures. These limitations need to be corrected by the policy analysts, government agencies, and institutional researchers who are already engaged in collecting and disseminating similar information.

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Ultimately, responsibility for collecting and disseminating information about higher education's benefits is a shared one, involving colleges and universities, research organizations, the media, and governments. Working together, these entities can bridge the chasm in public and policymaker understanding about the outcomes of higher education and lead to more rational, and longer-term, consideration of government and societal investment in postsecondary learning.

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ENDNOTES

1. Only House Democrats were aligned against the proposal, preferring instead a proposal from the higher education associations (led by the American Council on Education) to endorse a program of enrollment-based capitation grants (Wolanin, 1997). However, even this ideological split was revealing: it reflected a difference in opinion about the form of assistance to higher education (student vs. institutional), not a fundamental distinction about whether such support was necessary.

2. Declining support for, or understanding of, the public benefits of higher education was certainly not the only factor. Concerns about fraud and abuse, combined with severe economic turmoil (particularly at the state level), were also important factors.

3. This framework has been significantly informed by the analysis of Wolfe and Zuvekas (1995) in their efforts to catalogue the nonmarket outcomes of schooling.

4. It is likely, however, that the value of this status has decreased over the last few decades as the percentage of Americans who attend college increases. Given that more than 50 percent of Americans now attend college at some point, it is more likely today that those without a college education are perceived as having lower social status than those who have attended college.